Action Against Certain Companies by SEBI

†*13. SHRI KAPIL SIBAL:
SHRI RAJIV RANJAN SINGH 'LALAN':

Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that the Security and Exchange Board of India has taken action against certain companies for committing irregularities;

(b) if so, the names of these companies;

(c) whether the Government have taken a decision to blacklist these companies; and

(d) if not, the reasons thereof?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI ARUN JAITELY): (a) and (b) Yes sir. Pursuant to investigations by Securities and Exchange Board of India (SEBI) into the allegations of irregularities such as price manipulations, takeover code etc., actions have been taken against companies found guilty. Since, March 2001 actions have been taken against following companies:

1. VN Parekh Securities Ltd.
2. KNP Securities Ltd.
3. Triumph International Finance India Ltd.
4. Triumph Securities Ltd.
5. Classic Shares and Stock Broking Services.
6. NH Securities.
7. First Global Stock Broking Pvt. Ltd.
8. First Global Finance Pvt. Ltd.
9. Vrudhi Confinvest India Pvt. Ltd.
10. Credit Suisse First Boston (I) Securities Pvt. Ltd.
11. Palombe Securities Pvt. Ltd.

---

†Original notice of the question was received in Hindi.

12. Bania Securities Ltd.
13. Nirmal Bang Securities Pvt. Ltd.
14. Bang Equity Broking.
15. Bang Securities Pvt. Ltd.
16. Nadi Finance and Investment Pvt. Ltd.
17. Anand Rathi Securities Pvt. Ltd.
18. Navratan Capital and Securities Pvt. Ltd.
19. Rathi Global Finance Ltd.
20. Rathi Capital and Securities Pvt. Ltd.
21. Century Consultants Ltd.
22. BPL Ltd.
23. Videocon International Ltd.
24. Sterlite Industries Ltd.
25. *Harshad Mehta

(*Harshad Mehta is an individual and has been debarred from dealing in securities for lifetime.)

(c) and (d) SEBI has blacklisted the companies in the sense that

1. It has prohibited broking companies mentioned at Sr. Nos. 1 to 21 from undertaking fresh business as a broker till completion of enquiry proceedings and action thereon.

2. It has prohibited BPL, Videocon and Sterlite from accessing the capital market for a period of 4 years, 3 years and 2 years respectively on account of their involvement in price manipulation in connivance with Harshad Mehta. As regards Harshad Mehta, he has been debarred for lifetime from dealing in securities, for manipulating the prices of BPL, Videocon and Sterlite.

Additionally, Department of Disinvestment have framed guidelines regarding (i) qualification of Bidder seeking to acquire stakes in public sector enterprises through the process of disinvestment; and (ii) qualification of advisors for disinvestment process. Decision will be taken, where applicable regarding individual companies after observing the due process prescribed in the guidelines.